

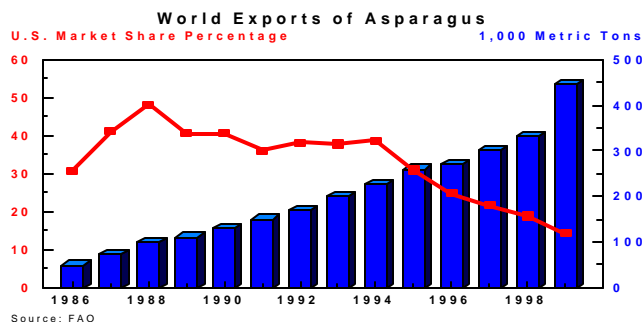
Asparagus Production and Trade in Selected Countries

Fresh asparagus production in calendar year 2001 in nine selected countries is estimated at 470,699 tons, down 3 percent from 2000. Peru, the world's largest producer accounted for 38 percent of the total, followed by the United States, Spain, and Mexico. Asparagus exports from seven selected countries during this same period are estimated at 145,000 tons, down 5 percent from the previous year, due largely to over-supply and reduced international prices. Mexico and the United States accounted for the biggest declines, 11 and 17 percent, respectively. Mexico, which exports approximately 89 percent of its annual output, is expected to be the top exporter, with shipments totaling 49,000 tons. Peru, Greece, Spain and China are the other top suppliers of fresh asparagus. Exports of fresh-market asparagus from the United States in 2001, are estimated at about 15,000 tons, down from 18,000 tons in 2000. During the first 6 months of 2001, U.S. exports of fresh-market asparagus totaled 12,732 tons valued at \$35 million, down 20 in volume and 22 percent in value, from the same time last year. Peruvian exports of processed asparagus in 2001 are estimated at 77,000 tons, up 10 percent from 2000.

United States

Despite import pressure from foreign asparagus producers, the United States remained the world's second largest producer of fresh asparagus, after Peru. In 2001, U.S. production of fresh asparagus is estimated at about 68,000 tons, down slightly from the previous year. In 2000, California, Washington, and Michigan accounted for over 95 percent of the fresh-market output in the United States with the peak harvest occurring in the spring. During this same period, Michigan accounted for 32 percent of the total U.S. processing (canning and freezing) production. Other states producing smaller amounts of asparagus, mostly for processing, include New Jersey, Illinois, Maryland, Indiana, Oregon, and Minnesota. In 2001, U.S. per capita use of fresh asparagus is forecast at 1.0 pound, unchanged from 2000. Improved off-season availability and increasing health awareness have likely helped maintain asparagus demand at this level.

During the first 6 months of 2001, U.S. exports of fresh green asparagus totaled 13,000 tons valued at \$35 million, down 20 percent in volume from the same period in 2000. This decline was due mainly to reduced shipments to Canada, Japan, and Switzerland, which accounted for 92 percent of total exports. From 1994 to present, U.S. exports of



asparagus to the world have continued to decline, due mainly to a strong U.S. dollar and competition from EU countries and Mexico. During this period, Mexico has accounted for the large growth in market share lost by the United States.

Mexico

Mexican asparagus production for marketing year (MY) 2001 is forecast at 55,000 tons, up 9 percent from the revised volume in 2000. The increase in volume is attributed mainly to new plants reaching maturity, higher yields, and producers converting to more efficient irrigation systems. Mexico's primary asparagus crop is harvested in Baja California and Sonora from late December through early April. A smaller crop is harvested from late June through September in the Bajio region of Guanajuato. Green asparagus remains the predominant variety grown in Mexico.

In MY 2001, fresh asparagus exports from Mexico are estimated at 49,000 tons, up 12 percent from the revised level in the previous year. In 2000, nearly all of Mexico's asparagus production was exported to the United States, with most of the rest going to the United Kingdom. Mexico's asparagus exports to the United States peak from the last week of December to January 31, when U.S. supplies are low and prices are higher. But, with increasing entrance of Peruvian asparagus into the United States during this time, market prices have declined. In the past, most of Peru's asparagus output during this period was used for processing, but recently it has been going into the fresh market.

Peru

Production of asparagus in Peru in MY 2001 is estimated at 180,000 tons, up 7 percent from the revised volume in the previous season. Reduced international demand and lower wholesale prices were the primary reasons for this season's revision. According to the U.S. Agricultural Attache's office in Lima, Peruvian asparagus producers are concerned with limited international demand contrasting with increasing supply, with the consequent price fall. Peru is one of the few countries where high quality asparagus is produced year round, due to warm and favorable weather, because asparagus plants do not enter a dormant stage. Peru produces asparagus for two different markets; green asparagus for the United States, and white asparagus for the European market. Green asparagus, accounting for about 35 percent of total output, is packed and exported in 5 kilogram boxes, while white asparagus is processed and exported in cans or jars.

Asparagus is Peru's second most important agricultural export, accounting for about 20 percent of total agricultural exports. In 2000, fresh asparagus exports totaled 35,000 tons, down 5 percent from 1999, due mainly to a decrease in international demand. Peru's most important processed asparagus buyers are Spain, the Netherlands, France, Germany and Denmark. The United States continues to be Peru's best customer for fresh asparagus, accounting for about 80 percent of the market in 2000. Peru exports its fresh asparagus to the United States by air.

Reportedly, Peruvian asparagus producers now worry about the oversupply and weakened world demand for asparagus; many believe that the world asparagus market has reached maturity. Since asparagus supply in the United States has increased faster than demand, Peruvian exporters have seen a sharp reduction in prices. For example, in 1990, a 5-kilogram box of fresh asparagus sold for \$50 and now it brings about \$9. Chinese exports of asparagus to competing markets are another source of worries for Peruvian asparagus producers. Ninety percent of Peruvian agricultural exports, including asparagus, enter the European Union duty free. Nevertheless, Chinese asparagus is still cheaper than Peruvian asparagus, despite the 16 percent import duty. Although China only affects the processed asparagus market, its sheer availability has sharply reduced asparagus prices in Europe over the past two years.

Greece

Production of fresh asparagus in Greece in 2001 is estimated at 30,000 tons, unchanged from the previous year. Greece produces both white and green asparagus, which are harvested from early February to mid-May, allowing it to be marketed earlier than product grown elsewhere in Europe. In Greece, asparagus usually produces 12 to 13 years before replanting. Harvesting asparagus in Greece is highly labor intensive, employing foreigners at a cost of about US\$18.00 per day. All other field practices are mechanized. Domestic consumption of asparagus in Greece is limited, fluctuating between 6 and 7 percent of the annual output.

Over 70 percent of Greek asparagus production is exported to Germany, with smaller amounts going to France, Spain and the Netherlands. Spain also buys second quality product, mainly for canning. In Greece, there are a number of problems in the packaging and marketing of asparagus that need to be resolved (including uniformity of product size when packed, appearance, effective promotions, etc.), for the product to gain market share in Europe. At present, Greece's main competitors in the European markets are France, Spain, and the Netherlands.

On the policy side, Greek farmers use the EU Regulation No. 2328/90, which provides subsidy supports (cultivation supports) for purchasing machinery and crop installation (soil improvements and genetics). These supports fluctuate according to geography from 40 to 50 percent of the total investment. Also, EU Regulation No. 866/90 provides funding for up to 45 to 50 percent for processing and packing plants. Asparagus is considered to be among the best alternatives for Greek farmers who utilized land resources for less marketable crops under the CAP.

United Kingdom

Asparagus production in the United Kingdom (U.K.) remains small. In CY 2001, output is estimated at 1,799 tons, up slightly from 2000. The principle growing areas are Scotland, Norfolk, Suffolk, Cambridgeshire, Lincolnshire, Cornwall, and Kent. Purple and white asparagus remain the principle varieties grown.

In recent years, U.K. consumers have moved away from the traditional bundles of non-trimmed spears to trimmed spears and tips, both in bundles and pre-packs. Pre-packs of baby varieties are supplied predominantly by Peru, Thailand and Chile.

Fresh asparagus imports into the U.K. in 2001 are estimated at 4,100 tons, up 3 percent from the revised level in 2000. U.K.'s exports of fresh asparagus are small, generally less than 100 tons.

Spain

Production of asparagus in Spain in 2001 is estimated at 63,000 tons, up slightly from the previous year. Asparagus harvesting in Spain begins in mid-January for the extra early varieties in Andalucia, and ends in August in the northern producing regions.

Consumption of asparagus in Spain increased substantially during the early 1990s, but has stabilized over the past few years. Fresh consumption in 2001 is estimated at 34,000 tons, down 6 percent from 2000. Most Spanish consumers prefer fresh green asparagus for daily cooking and canned white asparagus for special occasions and for salads.

In 2001, Spanish exports of fresh asparagus are estimated at 20,500 tons, up 7 percent from the previous year, due to increased demand in EU countries. The EU countries are the primary markets for fresh green asparagus exports from Spain. Imports of fresh asparagus into Spain remain small, taking place mostly during the off-season months between October and January. Peru, Greece and Morocco are the primary suppliers of fresh asparagus to Spain.

Japan

Production of fresh asparagus in Japan in CY 2001 is estimated at 28,700 tons, up 8 percent from 2000, due mainly to an increase in planted area and crop maturity. Japan produces asparagus from February through November, with the peak season in May and June. Hokkaido, Nagano and Nagasaki prefectures are the major regions for asparagus production. Japanese producer co-ops have been encouraging farmers to switch their production, especially from rice, to more profitable crops such as asparagus, leaf vegetables, etc. As a result, the asparagus acreage and output have marginally increased. However, with sufficient volumes of fresh asparagus available in the United States through June, a decline in Japan's asparagus production could represent a growth opportunity for U.S. asparagus growers and exporters.

The overall market for fresh asparagus in Japan has been relatively stable in recent years, with an annual disappearance ranging between 44,000 and 52,000 tons, which are shared about evenly between domestically produced asparagus and imported product. Fresh asparagus is marketed year-round in Japan with a number of foreign suppliers participating in the market. Mexican asparagus dominates the market from January to March; U.S. volume peaks from March through May, while volumes of domestic

asparagus are heaviest in May and June. Asparagus from Australia is available in the fall and winter, while the Philippines ships asparagus to Japan almost year-round.

Because of Japan's sluggish economy, price has become the determining factor for marketing asparagus to Japan. Many supermarkets only market asparagus at retail prices ranging from 100 to 200 yen (\$0.80 to \$1.60) for a bundle of 100 grams, since the prices in this range are the most affordable by consumers. In the spring of 2001, many Japanese asparagus importers reduced their import volumes from the United States and Mexico because their profit margins were significantly reduced due to the exchange rate at approximately 125 yen to one U.S. dollar. In fact, one Japanese importer reported that if the exchange rate goes beyond 120 yen to one U.S. dollar, his profit margin is significantly reduced. Currently, fresh domestic asparagus is sold at 150 to 200 yen (\$1.20 to \$1.60) for a bundle of 100 grams in Tokyo supermarkets. A typical bundle consists of 3 to 4 green asparagus spears. Domestic asparagus is traded at 1,200 to 2,100 yen (\$9.65 to \$16.80) for one kilogram at Tokyo's Ohta Wholesale Market.

Switzerland

Production of asparagus in Switzerland remains small, accounting for about 2 percent of domestic consumption annually. Switzerland continues to be a very good market for U.S. fresh asparagus because of the Swiss preference for large-stalked asparagus. In 2001, Swiss imports of fresh green asparagus are estimated at 5,600 tons, up 6 percent from the previous year. In CY 2000, U.S. exports of fresh green asparagus to Switzerland totaled 1,582 tons, down 25 percent from the previous year, due to competition from other EU producers and a tariff-rate quota system. Under this system, imports from May 1 to June 15, the U.S. primary export season to Switzerland, are subject to a maximum duty of SF 734 (US\$440) per 100 kilograms.

Germany

Germany is a major producer and consumer of fresh asparagus. Production of fresh asparagus in 2001 is estimated at about 44,000 tons, down 2 percent from 2000. German imports of fresh asparagus during this same period are estimated at 31,000 tons, up slightly from the previous year. Greece continues to be Germany's primary supplier of fresh asparagus. U.S. exports of fresh green asparagus to Germany remain small, with only marginal potential for growth due to strong competition from other EU suppliers.

(The FAS Attache Report search engine contains reports on the Asparagus industries for 7 countries, including Mexico, Peru, United Kingdom, and Japan. For information on production and trade, contact Emanuel McNeil at 202-720-2083. For information on marketing contact Elizabeth Mello at 202-720-9903.)

Table 1: Fresh Asparagus Production, Supply, and Distribution in Selected Countries

| Country/ Year | Production | Imports | Total Supply | Exports | Domestic Consumption | For Processing |
|------------------|------------|---------|-----------------|---------|-------------------------|-------------------|
| Metric tons | | | | | | |
| Germany | | | | | | |
| 1999 | 45,000 | 43,867 | 88,867 | 1,430 | 87,437 | 0 |
| 2000 | 45,000 | 30,731 | 75,731 | 733 | 74,998 | 0 |
| 2001 Est. | 44,000 | 31,000 | 75,000 | 500 | 74,500 | 0 |
| Greece | | | | | | |
| 1999 | 34,250 | 0 | 34,250 | 30,000 | 2,200 | 2,050 |
| 2000 | 29,666 | 0 | 29,666 | 24,666 | 2,200 | 2,800 |
| 2001 Est. | 30,000 | 0 | 30,000 | 24,700 | 2,100 | 3,200 |
| Japan | | | | | | |
| 1999 | 19,842 | 24,466 | 44,308 | 0 | 43,078 | 1,230 |
| 2000 | 26,701 | 24,766 | 51,467 | 0 | 50,197 | 1,270 |
| 2001 For. | 28,700 | 23,000 | 51,700 | 0 | 50,420 | 1,280 |
| Mexico | | | | | | |
| 1999 | 61,600 | 126 | 61,726 | 55,032 | 6,694 | 0 |
| 2000 | 62,000 | 100 | 62,100 | 55,000 | 7,100 | 0 |
| 2001 For. | 55,000 | 300 | 55,300 | 49,000 | 6,300 | 0 |
| Peru | | | | | | |
| 1999 | 175,000 | 0 | 175,000 | 30,000 | 6,000 | 139,000 |
| 2000 | 190,000 | 0 | 190,000 | 35,000 | 6,000 | 149,000 |
| 2001 For. | 180,000 | 0 | 180,000 | 35,000 | 6,000 | 139,000 |
| Spain | | | | | | |
| 1999 | 63,000 | 3,421 | 66,421 | 18,988 | 35,433 | 12,000 |
| 2000 | 63,500 | 3,676 | 67,176 | 19,189 | 35,987 | 12,000 |
| 2001 Est. | 63,000 | 3,500 | 66,500 | 20,500 | 34,000 | 12,000 |
| Switzerland | | | | | | |
| 1999 | 200 | 4,870 | 5,070 | 0 | 5,070 | 0 |
| 2000 | 200 | 5,279 | 5,479 | 0 | 5,479 | 0 |
| 2001 Est. | 200 | 5,600 | 5,800 | 0 | 5,800 | 0 |
| United Kingdom | | | | | | |
| 1999 | 1,960 | 3,495 | 5,455 | 87 | 5,368 | 0 |
| 2000 | 1,791 | 3,977 | 5,768 | 32 | 5,736 | 0 |
| 2001 For. | 1,799 | 4,100 | 5,899 | 50 | 5,849 | 0 |
| United States | | | | | | |
| 1999 | 65,998 | 64,549 | 130,547 | 17,265 | 80,560 | 32,722 |
| 2000 | 68,220 | 72,227 | 140,447 | 18,000 | 85,202 | 35,000 |
| 2001 Est. | 68,000 | 70,000 | 138,000 | 15,000 | 87,000 | 36,000 |
| Total | | | | | | |
| 1999 | 466,850 | 144,794 | 611,644 | 152,802 | 271,840 | 187,002 |
| 2000 | 487,078 | 140,756 | 627,834 | 152,620 | 273,657 | 200,070 |
| 2001 | 470,699 | 137,500 | 608,199 | 144,750 | 271,969 | 191,480 |

Source: U.S. Attaches Reports, NASS/USDA, and Eurostat. Est. = Estimate. For. = Forecast.

Table 2--United States Exports of Fresh and Chilled Asparagus 1/

| Destinations | 1996 | 1997 | 1998 | 1999 | Jan-June | Jan-June |
|----------------|--------|--------|--------|--------|----------|----------|
| | | | | | 2000 | 2001 |
| Metric tons | | | | | | |
| Canada | 4,666 | 6,329 | 6,578 | 6,946 | 6,194 | 5,693 |
| Japan | 6,260 | 6,478 | 5,179 | 7,108 | 6,996 | 5,304 |
| Switzerland | 1,988 | 1,423 | 2,549 | 2,111 | 1,581 | 720 |
| Taiwan | 12 | 11 | 3 | 18 | 486 | 305 |
| United Kingdom | 632 | 341 | 506 | 653 | 106 | 95 |
| Germany | 402 | 309 | 180 | 61 | 31 | 34 |
| Australia | 79 | 47 | 117 | 65 | 46 | 33 |
| Mexico | 19 | 40 | 104 | 11 | 443 | 282 |
| Iceland | 23 | 6 | 72 | 38 | 57 | 186 |
| Korea | 38 | 53 | 62 | 33 | 13 | 6 |
| France | 73 | 19 | 40 | 23 | 10 | 47 |
| Belgium-Lux. | 59 | 82 | 29 | 63 | 8 | 4 |
| Other | 126 | 125 | 175 | 135 | 24 | 23 |
| Grand Total | 14,377 | 15,263 | 15,594 | 17,265 | 15,995 | 12,732 |

Source: U.S. Department of Commerce. 1/ Calendar years

Table 3--United States Imports of Fresh and Chilled Asparagus 1/

| | | | | | Jan-June | Jan-June |
|-------------|--------|--------|-------------|--------|----------|----------|
| Origins | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 |
| | | | Metric tons | | | |
| Mexico | 18,441 | 21,166 | 29,907 | 36,719 | 26,357 | 21,696 |
| Peru | 10,543 | 12,707 | 14,152 | 22,234 | 4,399 | 5,967 |
| Chile | 2,655 | 2,817 | 2,521 | 3,190 | 3 | 23 |
| Colombia | 1,234 | 1,940 | 1,768 | 1,311 | 473 | 447 |
| Argentina | 752 | 761 | 844 | 631 | 0 | 0 |
| Guatemala | 546 | 475 | 439 | 347 | 88 | 66 |
| Ecuador | 242 | 256 | 95 | 60 | 11 | 33 |
| Other | 121 | 86 | 99 | 57 | 17 | 228 |
| Grand Total | 34,534 | 40,208 | 49,825 | 64,549 | 31,348 | 28,460 |

Source: U.S. Department of Commerce, Bureau of the Census. 1/ Calendar years.

